

SPECIAL TARIFF POSITION OF PHILIPPINES

*Exchange of notes at Washington May 18 and August 26, 1946, modifying agreement of June 28, 1910
Entered into force August 26, 1946*

61 Stat. 2447; Treaties and Other
International Acts Series 1572

The Acting Secretary of State to the Portuguese Ambassador

DEPARTMENT OF STATE
WASHINGTON
May 18, 1946

EXCELLENCY:

With reference to the forthcoming independence of the Philippines on July 4, 1946, my Government considers that provision for a transitional period for dealing with the special tariff position which Philippine products have occupied for many years in the United States is an essential accompaniment to Philippine independence. Accordingly, under the Philippine Trade Act approved April 30, 1946,¹ goods the growth, produce or manufacture of the Philippines will enter the United States free of duty until 1954, after which they will be subject to gradually and regularly increasing rates of duty or decreasing duty-free quotas until 1974 when general rates will become applicable and all preferences will be completely eliminated.

Since the enactment of the Philippine Independence Act approved March 24, 1934,² my Government has foreseen the probable necessity of providing for such a transitional period and has since then consistently excepted from most-favored-nation obligations which it has undertaken toward foreign governments advantages which it might continue to accord to Philippine products after the proclamation of Philippine independence. Some thirty instruments in force with other governments, for example, permit the continuation of the exceptional tariff treatment now accorded by my Government to Philippine products, irrespective of the forthcoming change in the Commonwealth's political status.

With a view, therefore, to placing the relations between the United States and Portugal upon the same basis, with respect to the matters involved, as

¹ 60 Stat. 141.

² 48 Stat. 456.

the relations existing under the treaties and agreements referred to in the preceding paragraph, I have the honor to propose that the provisions of the Commercial Arrangement between the United States of America and Portugal effected by an exchange of notes signed June 28, 1910,⁸ shall not be understood to require the extension to Portugal of advantages accorded by the United States to the Philippines.

In view of the imminence of the inauguration of an independent Philippine Government, I should be glad to have the reply of Your Excellency's Government to this proposal at an early date.

Accept, Excellency, the renewed assurances of my highest consideration.

DEAN ACHESON
Acting Secretary of State

His Excellency
Dr. JOAO ANTONIO DE BIANCHI
Ambassador of Portugal

The Portuguese Ambassador to the Acting Secretary of State

EMBAIXADA DE PORTUGAL
WASHINGTON
August 26, 1946

Proc. 11
No.—108

SIR:

With reference to Your Excellency's note of 18 May, 1946, I have the honour to inform Your Excellency, under instructions, that the Portuguese Government agrees to the proposal set out in Your Excellency's note quoted above, according to which the provisions of the Commercial Arrangement between Portugal and the United States of America effected by an exchange of notes signed June 28, 1910, shall not be understood to require extension to Portugal of advantages accorded by the United States to the Philippines, during the transitional period covered by the Philippine Trade Act approved April 30, 1946.

I avail myself of this opportunity to convey to you, Sir, the renewed assurances of my highest consideration.

J. BIANCHI

The Honourable DEAN ACHESON
Acting Secretary of State
etc., etc., etc.

⁸ TS 514½, *ante*, p. 324.